

without solving the problem. Another thing which this bill is attempting to correct is to eliminate some of the unequal burden on agriculture, farming people. There seems to be a myth, I think, floating around the state that says that because farmers pay a lot of property tax, any kind of property tax is going to benefit farmers more than anybody else. Well, what happens is that in the school districts that are made up predominately of agricultural territory, their benefit is minimal compared to other school districts. Meaning that they're going to be frozen into a situation where they're going to be permanently paying more school tax than those school districts that don't have much agricultural territory. On top of that I think in terms of the farmer paying income and sales tax in relationship to the number of pupils in his district, we can assume that his income tax burden is going to increase the same as the urban income tax burden. We can also assume that his sales tax burden is going to increase faster than the burden on the urban person because he is buying a lot more equipment than the urban person never has to buy. LB772 has been characterized as school aid. I think rather it should be characterized as a tax reform matter and that we should say what kind of tax reform is it creating? I think that if we really look close to it, it is tax reform but tax reform primarily in the interest of upper middle class and upper class property owners. It's not being presented in the interest of schools. I think in many cases it represents a massive income redistribution plan because it is taking tax increases from renters without providing any relief for them. It is taking tax increases from the young farmers who are typically tenants and not giving any increases to them. Another thing that disturbs me about the bill is that we have now a system whereby persons who own property in Nebraska can be taxed to help pay for the schools because they are benefiting. They are earning money in Nebraska. But under LB772, they would be given all relief with no offsetting increase in taxation. I don't know what the percentage of non-resident property ownership would be in the State of Nebraska. I did do a check in one school district in my home county and it turned out that 9% of that property is owned by people living outside of Nebraska. If that would hold true, then of the \$90 million of school tax increase that we're providing, it might mean that as much as \$8 million in Taxation would leave the State of Nebraska. LB772, I'm saying, doesn't do the job because basically it's a contradiction in terms. It says that property tax is an archaic system of paying for schools and then it turns right around and uses property valuation and mill levy to establish the means whereby the equalization aid is going to be distributed. It fails to recognize that there are different ways that school districts are composed. Some districts are composed of a lot of rural people who must have property in order to earn an income. Some school districts are composed of people who do not need a lot of property earned income and therefore, it makes it impossible to have the equalization formula in LB772 work. As I indicated, the basic philosophy of school aid is one that I agree with. But what I am saying is that in any way that I've been able to look at this bill, LB772 just does not get the job done. It is not the answer we need in the State of Nebraska and I must oppose it.

PRESIDENT: Senator Dickinson.

SENATOR DICKINSON: Mr. Speaker and members of the Legislature. I rise to support the attempt to override the veto